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james.denaro@cipherlawgroup.com

1 RECORD OF ORAL HEARING
2
3 UNITED STATES PATENT AND TRADEMARK OFFICE
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5
6 BEFORE THE BOARD OF PATENT APPEALS
7 AND INTERFERENCES
8
9

10 *Ex parte* WILLIAM D. KIRSH, PETER M. KRAMER,
11 and JEFFREY T. KING
12
13

14 Appeal 2011-000822
15 Application 09/784,045
16 Technology Center 3600
17
18

19 Oral Hearing Held: February 22, 2012
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21

22 Before BIBHU R. MOHANTY, MEREDITH C. PETRAVICK, and
23 MICHAEL W. KIM, *Administrative Patent Judges*.
24

25 APPEARANCES:

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36 The above-entitled matter came on for hearing on Wednesday,
37 February 22, 2012, commencing at 9:01 p.m., at the U.S. Patent and

1 Trademark Office, 600 Dulany Street, Alexandria, Virginia, before Dawn A.
2 Brown, Notary Public.

3 P R O C E E D I N G S

4 THE USHER: Good morning. Calendar No. 57, Appeal Number
5 2011-000822, Mr. Denaro.

6 JUDGE MOHANTY: Mr. Denaro, I'm Judge Mohanty. This is Judge
7 Petravick and Judge Kim.

8 MR. DENARO: Good morning.

9 JUDGE MOHANTY: We've briefed the case, you have 20 minutes.
10 Whenever you're ready.

11 MR. DENARO: Good morning. I'm James Denaro with Ciper Law,
12 attorneys for Appellants in this case.

13 This patent application is directed toward a system for automated
14 appeals processing. There are seven distinct grounds for appeal presented in
15 Appellants' Brief.

16 I'd like to first focus on the first set of rejections identified as grounds
17 of rejection (b) through (e) in Appellant's Reply Brief as those grouped
18 together, a substantial portion of the rejections that are currently on appeal.

19 Claim 1 recites, among other limitations, that the appeal is a request
20 for reconsideration of the claim adjudicated by an insurer. The independent
21 claims include this or similar language and are grouped together.

22 In rejecting the claims, the Examiner has relied chiefly on a reference
23 known as Burchetta either alone with the Examiner's consideration and
24 interpretation, or in combination with other references.

25 However, Appellants submit that Burchetta failed to teach this feature,
26 and there's no evidence in the record that supports the Examiner's

1 interpretations and considerations the Examiner uses to complete the
2 rejection.

3 As an initial matter, the Appellants note that the Examiner has
4 admitted that Burchetta fails to teach the claimed feature of an appeal being
5 a request for consideration of a claim adjudicated by an insurer. So to
6 complete the obviousness rejection, the Examiner has relied upon a stated
7 consideration and a stated interpretation of this reference.

8 However, as Appellants have described in our briefing, Burchetta is
9 substantially different from the claimed invention. As a result, there is no
10 supportable interpretation of Burchetta that can make the claims obvious.

11 To quote Burchetta, Burchetta is a "computerized system for
12 automated dispute resolution for communicating and processing a series of
13 demands," and a "series of offers" to settle the claim. That's at Column 3,
14 Lines 47-52.

15 So Burchetta requires demands and offers. It describes that you can
16 have a series of demands and a series of offers. For example, somebody
17 may come and say I'm owed \$1,000. Alternatively, I'm owed \$900.
18 Alternatively, I'm owed \$800.

19 The corresponding side Burchetta describes that the would-be
20 defendant would say I will pay \$900. I'll pay \$500. I'll pay \$400.

21 Burchetta is an automated system trying to match the demands to the
22 offers. So Burchetta describes that if the demand matches the offer,
23 instantly a settlement is reached and the process is completed.

24 If the demands are within a certain amount or distance between each
25 other, it will try to split the difference and call that a match, and so on.

1 If the offers are too far apart, then it goes to another process where it
2 tries to move to the next demand or next offer on line to try to reach
3 settlement.

4 So that's the basic structure. Burchetta is very clear about what it is.

5 To quote Burchetta "the amount of money required by a person
6 having a claim," for which the person would be willing to settle. That's the
7 only type of system that's contemplated here.

8 It's not a request for reconsideration, or it's not about a legal claim.

9 It's not about your rights. It's strictly boils down to money.

10 The system of Burchetta is capable of operating a telephone dial-in
11 system, so you can actually punch in a dollar amount that you request; and
12 the other party can punch in a dollar amount they'd be willing to pay. That's,
13 essentially, how that system works.

14 So Burchetta describes an iterative negotiation process that's designed
15 to reach a specific dollar amount. This is substantially different from the
16 claim system which relates to an appeal that is a request for reconsideration
17 by a claim that's been adjudicated by an insurer.

18 It might be helpful to make the analogy to this proceeding here. This
19 proceeding is, in some measure, a request for reconsideration of a decision
20 that the Patent Examiner has reached. It is not a series of demands and a
21 series of corresponding offers where some parties are trying to get to a point
22 in the middle. It's a fundamentally different system.

23 In light of the recognized failure of Burchetta to teach the specifically
24 claimed system, the Examiner has resorted to his interpretation and
25 consideration of what Burchetta discloses. These statements in the rejection
26 are without support in the evidence and in the record to provide any

1 explanation for how the Examiner has come to conclude that Burchetta
2 teaches the claimed features.

3 For example, in the Examiner's answer, the Examiner has stated that
4 the Examiner considers a dispute that is pending as a claim that has been
5 adjudicated by the parties involved, such as an insurer; and there is no
6 support for this consideration in the art or in the record elsewhere.

7 The Examiner also stated that common sense in the art suggests that
8 Burchetta's automated dispute resolution handles the dispute of the claims
9 after the insurance company has made a decision and the defendant or his
10 insurer make a series of offers to settle a claim.

11 Well, it's understood that the Examiner can look to the knowledge of
12 one of ordinary skill in the art in rejecting the claim. The Board of Appeals'
13 own decision, as well as the federal circuit, have made clear that there's
14 some support for the Examiner's rejection.

15 As we note in our Brief, the unpublished Board of Appeals decision in
16 Ex parte, Donaldson applied In re: Graves, which the Examiner cited in the
17 Examiner's briefing and noted the Examiner needs to make some
18 demonstration based on evidence in the record that it would have been
19 obvious to interpret the prior art reference in a manner as being done in a
20 rejection.

21 Similarly, the federal circuit in In re: Zirco stated with reference to the
22 Board that the Board can't reach conclusions based on its own understanding
23 or experience or it's assessment of what would be basic knowledge. Rather,
24 there has to be some evidence in the record to support the rejection.

1 In this case, all we are left with is the conclusory statement of the
2 Examiner that the Examiner considers the process of Burchetta to render
3 obvious the claims on appeal.

4 So for those reasons, as well as the reasons we explain in more detail
5 in our Brief, we respectfully request reversal of Examiner with respect to the
6 first set of rejections per Burchetta.

7 Moving on to the second grounds of rejection, which is identified as
8 1(f) in the briefing, the Examiner combines Burchetta with a reference
9 known as Newswire.

10 This ground of rejection relates to independent Claim 14, which
11 recites electronically assigning a substantially unique appeal number to the
12 collected data. The appeal number associating the appeal's data with the
13 user profile in a computerized system.

14 The Examiner recognized that Burchetta failed to teach this limitation
15 and resorted to a combination with a reference known as Newswire to
16 complete the obviousness rejection.

17 The reference that's called Newswire in the rejections in the briefing,
18 the full title is Cardiff Software Announces Teleform-Teleclaim Module.
19 This reference is merely an intelligent OCR system. It's designed to be
20 operable on medical claims, and it has intelligence to it in that it does
21 validation of the data.

22 The Newswire system appears to have some knowledge about the data
23 that's being input, and if that data does sort of match expectations, it will try
24 to prepare the OCR.

1 For example, if you know something is supposed to be a hyphen or
2 letter and in OCR it's a hyphen or letter, perhaps you need to know you need
3 to take a closer look at that. That's the Newswire reference.

4 The Examiner has noted that a function described in Newswire of
5 sorting by date and provider ID teaches a claimed feature of assigning a
6 substantially unique appeal number to the collected data.

7 Appellants submit there is no disclosure in Newswire of anything
8 related to an appeal as an initial matter. The data that's being input into the
9 Newswire system is merely just standardized medical procedure codes.

10 So it doesn't have anything related to an appeal and also for that
11 reason alone there's nothing related to an appeal number or, certainly, not
12 even substantially unique. There's no indication that anything at all in
13 Newswire would be unique.

14 So for these reasons it is not capable of providing the missing
15 teachings from Burchetta.

16 The Examiner also suggested in the answer that a case identification
17 number that is described in Burchetta could be a substantially unique
18 identifier of a claim system. However, there's nothing in Burchetta that
19 describes that the case identification number is substantially unique.

20 Furthermore, there is nothing in Burchetta to describe that the case
21 identification number that's described therein performs the claimed function
22 associating the appeal data with the user profile in the computer system,
23 which are additional features and limitations required by the claims in
24 connection with the substantially unique identifier.

25 For these reasons Appellants respectfully request reversal of that
26 rejection as well.

1 Moving to Claims 15 to 21 and 23, identified as grounds of rejection
2 1(g) and 1(h) in Appellant's Brief, we're looking at claims that feature
3 relating to a "determination of entitlement to benefit or services."

4 This language here is not taught by Burchetta as the Examiner has
5 admitted, and furthermore Appellants submit this language is also not
6 rendered obvious in light of any consideration or interpretation of Burchetta
7 as well.

8 In this case, the key language is a determination of entitlement to a
9 benefit or a service. There is nothing in Burchetta, as I was describing
10 earlier -- there's nothing in Burchetta that describes anything more than a
11 demand for an amount of money. It does not relate to an entitlement to a
12 benefit or a service.

13 So for this reason alone, the claims on appeal are patentable over the
14 prior art. There is nothing in the record to support an interpretation of
15 Burchetta that would render them unpatentable.

16 Turning to grounds of rejection 1(g) and 1(h), these relate to Claims
17 15 to 21 and 23. Here the claims relate to selecting a reason for the appeal
18 of the denial.

19 The Examiner has rejected the claims as unpatentable over Burchetta
20 in view of Newswire, again. As I was mentioning earlier, the Newswire
21 reference only relates to validating data that has been brought into a system
22 through an OCR process.

23 In support of the rejection, the Examiner said that the Examiner
24 interprets the validation step, the step of making sure the OCR was good, to
25 include selecting or identifying a reason for an appeal of a denial.

1 Appellants respectfully submit that there is nothing in Newswire to
2 support an interpretation of the smart OCR step of validation to include
3 identifying a reason for appeal of a denial of a claim. As mentioned earlier,
4 there's not even a suggestion in Newswire of an appeal, let alone identifying
5 a reason for an appeal.

6 Turning to the final ground of rejection on appeal, that is ground of
7 rejection 1(h), relating to Claim 23. Claim 23 recites the step of
8 automatically identifying a regulatory agency.

9 In rejecting the claim, the Examiner relied on Burchetta in
10 combination with Israel, in combination with Newswire in further appeal of
11 official notice.

12 Appellant takes the position that this claim is patentable over
13 Newswire. Anything involving Newswire as discussed already, and with
14 respect to the official notice rejection, the Examiner took official notice that
15 "in the medical industry, state laws and regulations provide guidance to
16 physicians and patients to determine reimbursement amount information for
17 health insurance claims."

18 Appellant submits that there are no medical industry state laws and
19 regulations that perform the stated functions. Appellant is unaware of such
20 laws or regulations that mandate reimbursement amounts. The Examiner
21 has not identified any such laws or regulations.

22 For these reasons, Appellants submit that it's inappropriate to take
23 official notice of such things in support of the rejection.

24 Furthermore, Appellants submit the claimed step of "automatically
25 identifying" the regulatory agency would not be taught by the teachings of
26 the official notice as being the purported medical industry state laws.

1 So in conclusion, turning back to the first grounds of rejection, 1(b)
2 through 1(e) in Appellant's Reply Brief, Appellants respectfully take the
3 position that the conclusory statements made by the Examiner in support of
4 the rejection, without any support in the record, and without any evidence
5 are inappropriate grounds of rejection.

6 For that reason, the rejections should be reversed. Thank you.

7 JUDGE MOHANTY: Any questions?

8 JUDGE KIM: No.

9 JUDGE PETRAVICK: No.

10 JUDGE MOHANTY: Thank you.

11 (Whereupon, the proceedings at 9:21 a.m. were concluded.)